

ADDRESS
OF
PRESIDENT WILLIAM H. TAFT

AT THE BANQUET OF THE TIPPECANOE CLUB
CLEVELAND, OHIO, JANUARY 29, 1912
IN CELEBRATION OF THE
BIRTHDAY OF

EX-PRESIDENT WILLIAM McKINLEY



PRESENTED BY MR. SMOOT
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I consider it great good fortune to be present as a guest at your celebration of McKinley's birthday. Every memorial day is most grateful which brings back into our lives most vividly that sweet nature, that tender heart, that clear-headed exponent of common sense, that embodiment of love of country and love of human kind whom we knew as William McKinley, and cherished as a product of Ohio. His was a nature which grew with the exigencies he had to meet, and developed its greatness in the trials of war and its consequences. His foresight, his patience, his firmness, and his grasp of the new questions presented in dealing with the Spanish dependencies which passed into our hands have given him a fixed, permanent, and most honorable place in history.

Such a celebration as this of McKinley's memory is full of personal interest to me because it was he who induced me to leave the calm and peaceful atmosphere of the court house and the consultation room to enter upon a political career, first in the Orient, and then in Washington, which has brought me to the responsibility of the office whose duties I am now trying to discharge.

I sincerely hope that reverence for McKinley's memory and the fond affection that it awakens may furnish the motive for a long life of patriotic usefulness to this club and for the preservation of those Republican principles of which William McKinley was a great exponent.

The last national election was in November, 1908. The next one will be in November, 1912. The conventions for the selection of the candidates to represent the two parties are to be held in June, and the time is ripe for the beginning of the discussion which will be continuous between now and November as to the proper party to whom to entrust the administration of the Government for the next four years.

The victory at the polls in November, 1908, was decisive, and it left the Republican Party in control, not only of the Executive but of both Houses of Congress, and in such a situation that there was no hindrance to its putting into effect and performing the promises contained in its platform adopted in its convention of 1908 upon the faith of which the mandate of power was extended to it.

The four months' campaign which is usually conducted between the holding of the conventions and the election, early in the following November, is an educational and clarifying process for the benefit of the American people. The possible candidates are reduced to two in number, and the doctrines, purposes, and promises of each

party are set out in specific detail in its platform. The issues are thus clearly defined, and through the press and through the party speakers, the people are generally brought to a clear understanding of what constitutes the difference between the two parties, and are given a full opportunity to judge which, on the whole, would be the better trustee of the public interest in the administration of the Government for the next four years.

I do not think that we generally attribute sufficient importance to the educational effect of this campaign. It has often happened that the confusion and ignorance of the public mind as to the real issues were such in June of the presidential year, that, had an election then taken place, the result would have been different from what it was in November after four months' discussion of the campaign. Usually the question whether the party whose administration is just ceasing shall be continued in power rests ultimately upon the question whether its accomplishments during its lease of power have been commensurate with its promises, and whether the results have been of such value to the country at large as to assure continued satisfaction and progress in the four years to come. In other words, the question is generally determined by close examination and consideration of the legislative and executive acts of the party incumbent in the current four years. It must rest upon its record thus made. If that record be a satisfactory one, the country in its sober second thought and after a careful consideration of it in detail, will give its approval by a reelection of the same party; but if it has been found wanting, if its promises have not been kept, if its administration has not been satisfactory, and the promises of the opposing party are fair and reasonably adapted to meet the defects shown in the incumbent administration, the change is made, and then the smooth operation of our plan of popular government is demonstrated by the ease with which the change takes place by the acquiescence of the retiring administration in the victory of its opponent, and by the continuance of the Government as a unified whole, with new leaders, but under the same constitution, the same laws and the same political limitations.

What I wish to discuss to-night is whether after the convention in June we of the Republican Party have anything to fear in that close examination of our political record of the current four years which is the chief function of the presidential campaign. The administration is usually made responsible under three heads.

First, under the head of legislative enactment. It matters not how little influence the Executive may actually exercise over the deliberations of the two legislative branches of the Government, the people seem to treat the three branches of the administration, if of uniform political color, as a whole and do not discriminate between the Executive and Congress in weighing the value of its legislative achievements.

The second head is the conduct of foreign affairs. This is left largely to the Executive so far as the initiative is concerned, and only when treaties are to be made is the confirming power of two-thirds of the Senate invoked.

The third head is that of purely executive action, in which the Executive exercises the authority given by the Constitution or laws without restraint of the legislature.

LEGISLATION.

Coming now first to the legislative enactments of the present administration, I ought to point out that we agreed in the platform of 1908 that the tariff should be revised on the protective principle that only enough tariff should be retained to equal the difference between the cost of production of the merchandise when made here and when made abroad, and the platform promised that an extra session would be called for immediate revision. The extra session was called, and after four months of hard work the so-called Payne tariff bill was enacted into law. That bill was subjected to bitter attack not only by our Democratic opponents but also by certain Representatives and Senators from our own ranks, who contended that the rates fixed were not in accord with the standard of revision promised in the platform. I need hardly say that this result was greatly aided by misunderstanding and misrepresentation of the facts in respect to the Payne bill, for while the Payne bill was not a full compliance with the promise there were substantial revisions in the bill, and the resulting act did not deserve the anathema and abuse to which it was subjected. The bill as a whole contained many most useful provisions, and it is quite remarkable how many notable and useful legislative changes in the policy of the Government are to be traced to it.

In the first place, it simplified and greatly shortened the procedure necessary to secure the authoritative construction of the tariff act by the creation of a Court of Customs Appeals whose jurisdiction is final, and to which appeals lie directly from the General Appraisers. In the second place, it offered to the Executive in dealing with other countries the alternative of two tariffs—the one 25 per cent higher than the other—in order to compel the other country by a threat of the higher tariff to stop its discriminations against American trade. This required making a treaty with every one of our international associates, and under these treaties concessions were secured which have been among the chief contributing causes to the growth of our foreign trade beyond the figures of the past.

A third provision of the law enabled me to appoint what grew to be known as a Tariff Board, and what, under the additional appropriations of Congress, began a series of investigations into the cost of production of articles abroad and of articles at home. The development of this board was a growth, but it met the public need. With the principle established of enacting tariff legislation only upon exact information derived from investigations of an impartial board, one of the corollaries which followed and was approved by conventions of the Republican Party was that requiring revision and amendment of the schedules of the tariff by separate schedules.

These two changes in the method of dealing with the tariff have met the hearty support of the business communities of the country. They, more than any other persons, appreciate the disadvantage of the halt and disturbance in all business circles and in the prosperity of the country that attends a general revision of the tariff, and they know, better than anyone else, how much that alarm and disturbance can be reduced by a system which proceeds upon the principle

of exact information as to its effect before amendment, and which deals with one subject at a time.

Nothing has come into the politics of this country of more practical importance than the present united attitude of the Republican Party in favor of an impartial, nonpartisan tariff board, with full opportunity and means to investigate the facts and find the truth with reference to imported merchandise, the cost of manufacture abroad and the cost of manufacture here, and all the other circumstances that ought to affect the rate and imposition of the duties.

Our Democratic friends at first accepted the principle, and many of them voted for such a board as I have described; but a section of their party was able, by filibustering, to prevent the final passage of a bill which had passed both Houses by a good majority. Consequently, I had to have recourse to the provisions of the Payne bill and to an appropriation which was voted by Congress in order to provide a substitute for the statutory tariff board which failed. The reason for the importance of this instrumentality is found in the fact that it touches the nerve of the people, which was irritated after the passage of the Payne bill, and which resulted in a Republican defeat and a Democratic victory.

Our Democratic friends are in the habit of claiming that the elections of 1910 were a repudiation of the doctrine of protection and a return on the part of the people to the principle of a tariff for revenue only. They are mistaken. It was not a declaration in favor of a tariff for revenue or free trade. This is shown by the fact that the Democratic vote was less rather than greater than it had been in the presidential election. The defeat of the Republican Party came not from an increase in Democratic votes, but from a defection of Republican votes, i. e., of its own members who stayed at home and refused to stand by the party in what they regarded as a failure to redeem its pledges. In order, therefore, that in future revisions there should be some honest, accurate, and reliable standard by which the degree of the revision might be known, I appointed the Tariff Board which has served, and the business men of the country formed an association to press for legislation creating a permanent tariff board or bureau, by which there should always be at hand an accurate yardstick to tell what in fact the tariff is, what the effect of the proposed amendment is likely to be, and how near in effect it measures the difference between the cost of the production of the merchandise in question at home and abroad.

CHANGE OF DEMOCRATIC FAITH.

Our Democratic brethren have departed from the faith on a tariff board which a majority of them once embraced and, in the extraordinary session of last year, they passed three tariff bills without the aid of information from a tariff board, drawn in such an unscientific, unsystematic, and reckless way that I did not hesitate to veto them, in order that they might await the coming in of the report by the Tariff Board upon schedule K, wool and woolens, which one tariff bill affected, and upon cotton and cotton manufactures, which another tariff bill affected. We should be entirely willing, upon the issue whether those bills ought to have passed in the form in which they were drawn, with the little information as

to their effect which Congress had, or was able to furnish the Executive, to go before the country and invite a verdict of the people.

The reports of the Tariff Board as to the cost of production of print paper in Canada and in the United States was a luminous exposition of the elements of cost and the circumstances surrounding the trade in each country, but a greater and much more comprehensive report has recently been filed on the subject of the cost of raising raw wool in all parts of the world, including the United States, and on the cost of manufacturing woollens in Europe and in this country. This report is so far, so comprehensive, so full of the most valuable information, and so lacking in partisan quality that it has commended itself to the country at large, and has elicited little if any criticism from those who might be expected to attack it. With this full information upon which a tariff bill might be framed and from which it would be entirely possible to infer its effect upon the wool and woolen industry of this country, the Democratic majority in the House has as yet taken no action, but has proposed to consider other schedules with respect to which the report of the Tariff Board must be long delayed, or, in the absence of a suitable appropriation by Congress, may never reach completion.

I wish, as far as possible, to emphasize the issue which is thus presented between the two parties as to the importance of knowledge before action in respect to the tariff, for I think, my Republican friends, that this is the issue upon which we may safely go before the country and prove our good faith in regard to a desire to lower duties as far as possible consistent with the protective principle already stated. It brings us to the question whether, in reducing duties, we are to reduce them with a view to the preservation of our industries and giving them a chance to live, or whether we are to act recklessly without information and without regard to a probably disastrous effect upon an important part of our business. For once, I am very confident that on this issue the people will be with us, and that our friends, the enemy, are entirely mistaken in their interpretation of recent popular expression. We do not ask for any industry a rate which shall give it an opportunity to enjoy undue profit in competition with the foreign manufacturer, or which shall tempt our manufacturers to form a monopoly in order to secure the artificial benefit of a rate that is higher than the difference in productive conditions. As an evidence of our good faith, we are ready and anxious to abide the judgment as to the facts of a board of scientific investigators who know no party and no party interest in their researches, and only act as judges of the fact to find the truth.

It is said that our Democratic brethren intend to withhold the appropriation for the continuing of the Tariff Board. I do not know whether this is true or not. If it is, it will only accentuate the issue between the two parties and only make more clear the difference in their attitude, and in my judgment will only emphasize the advantage which we have in our position on this general matter.

To recur again to the advantages that proceeded from the Payne bill. By a section in that bill with certain limitations upon the amount of importations of sugar and tobacco, we gave for the first time to the Philippines free trade and full access to our market. The effect of this generous but just treatment was almost instantaneous, and the growth of the business between the two countries has been

such as to vindicate those of us who for 10 years last past have been working for this end, and such as to show the lack of foundation for the fears of those who opposed the policy. The trade of the Philippines has grown apace, and prosperity which had been a stranger to the islands since we went there seems to have established itself permanently in those gems of the Pacific.

Another feature of the Payne bill was the passage as an amendment to that act of the corporation tax. I claim and assume full responsibility for the adoption of that tax. It taxes success and not failure. It imposes a small percentage upon the net earnings of a corporation before they are distributed in dividends. It affects every business corporation in the country, and the collection is made by our present internal-revenue machinery at a cost that is inconceivably small. It has the advantage that it can be doubled by making it 2 per cent and trebled by making it 3 per cent, and all with no substantial increase in the cost of collection. Its incidence is at a point where those who pay the tax feel it least and under conditions that render an evasion of it almost impossible. Its passage was accompanied by the adoption of a concurrent resolution amending the Constitution to permit the levying of a Federal income tax, which is still under consideration by the States. Whether that power be given or not, for the present at least the corporation tax is a sufficient income tax to meet the public requirements.

I have thus reviewed the benefits conferred upon the country by the Payne tariff bill. I think Republicans generally concede that there are certain schedules, certainly the woolen schedule, possibly the cotton schedule, that need amendment; but they insist, and properly insist, that the amendments should be intelligent and not destructive. There may be other schedules of the tariff bill that need revision and further consideration, but they ought not to be made except in the light of full and accurate information. We are not wedded to any particular rates, and we are quite willing as a party to reexamine any rates in the light of proper information should the mandate of power be again given to the Republicans, so that the party shall control the Executive and both Houses. I do not doubt that almost the first bill to be introduced would be one establishing a permanent tariff commission or bureau of information, whose duty it would be to continue the work of the present tariff board, preparing a glossary of the terms of the tariff and making as full as possible a statement of the elements of cost at home and abroad of the merchandise covered by the schedules of the tariff, with directions to keep this information up to date and to make such communications to Congress and the Executive as a change in the conditions from time to time would make appropriate.

RAILROADS.

The platform of 1908 declared in favor of additional restrictions and regulations of the interstate railroads, with a view to the better and more uniform enforcement of the interstate commerce law. The Republican Party has carried out that promise to the letter. I invited a board, consisting of the chairman of the Interstate Commerce Commission, Commissioner Lane, Senator Townsend, then a member of the Interstate Commerce Committee of the House, the Attorney General, the Solicitor General, and possibly some others, to investi-

gate the reports of the Interstate Commerce Commission and make a report to me of the improvements that might be effected in existing law on this subject. This was done, and they made recommendations which were substantially embodied in a bill drafted by the Attorney General, with such amendments from time to time proposed by parties in interest as seemed just. Congress took that bill, amended it in certain particulars, but left the general effect of the bill the same as when I outlined it in a speech at Des Moines, and recommended it to Congress in my message. The chief improvement in the law was giving life and effect to the orders of the Interstate Commerce Commission, so that they could not be ignored or minimized by the railroad companies, and in giving the commission an opportunity to prevent a raising of rates until after investigation into the fairness of such action. That was the feature of my recommendations to Congress and of the bill as it was adopted.

Another new and important feature was the creation of a Commerce Court, to which was transferred all the jurisdiction which had theretofore been exercised by the circuit courts in some 60 or 70 different districts of the United States. It was thought that by combining all this jurisdiction in one court of five men with experience it would greatly expedite the final judgment and bring to the Supreme Court quickly those cases which were subject to review there. I observe now that some of the decisions of the Commerce Court have been contrary to the Interstate Commerce Commission and that this has been made the basis of complaints against the Commerce Court, and a ground for suggesting its abolition. It seems to me this would be the most foolish step possible. If the Commerce Court has decided improperly as to its jurisdiction in issuing orders enjoining action by the Interstate Commerce Commission that can easily be remedied by the cases now pending in the Supreme Court, decisions in which will show exactly what the jurisdiction of the Commerce Court is; but the abolition of the Commerce Court would not in any degree avoid the intervention of a court after the orders of the Interstate Commerce Commission, for the right of the railroads to invoke the action of the court for a judicial investigation into the legal or confiscatory matter of the order of the commission could not be taken away. The Commerce Court is only a concentration of 70 jurisdictions into one making for greater expedition, and a more summary disposition of the causes, and this is the great desideratum in the machinery for the regulation of interstate commerce.

I need not stop to invite attention to the other increasingly regulative provisions of the interstate commerce amendment of 1910. It is sufficient to say that at present the regulation seems to be effective and calls for little if any amendment.

Growing out of the passage of this bill, a commission was appointed to report upon the wisdom of regulating the issue of stocks and bonds by interstate commerce railroads. The report made recommends certain conservative legislation, but sets forth the principles that ought to govern in such a satisfactory way as to have attracted the commendation of all.

The sessions of 1910 and 1911 of the Sixty-first Congress were productive of additional provisions for safety appliances on railroads to prevent injury to employees, for the reenactment of an employers' liability law which has now stood the test of examination by the

Supreme Court, of the appointment of a commission to make report upon a workmen's compensation bill to secure something like insurance for all workmen in interstate commerce, and for a mining bureau, adopted chiefly to promote the cause of humanity in mining by the expenditure of money in research to determine the best method of preventing those distressing losses of life among the miners which from month to month shock the community.

Again, the same Congress carried out the platform of the Republican Party and created machinery for the establishment of postal savings banks. These institutions are serving already a most useful purpose and are gathering in the savings of the poor at a rate of \$1,000,000 a month. They are being extended into those parts of the country where banking facilities are denied to the people, and are furnishing at a less rate of interest than savings banks pay inducements to deposit for people who will only trust the Government. The extension of the system is going on, and its success is assured.

Another position taken by the Republican Party and carried out by it, but not completed, is that of conservation. The Sixty-first Congress gave the President the express power to withhold from further absorption vast tracts of the public domain covering coal, phosphate, water-power sites, and oil, and we look to this Congress to take the steps which shall open to reasonable development under control of the Government the mineral and agricultural resources of Alaska, as well as those which still remain within the governmental control in the United States.

There is forming a plan for the betterment of our currency, a plan which has been given exact formulation by the Monetary Commission, but which is of course subject to discussion and amendment by Congress. The necessity for the adoption of this general principle, I think all Republicans will concede. The question is whether the details provided secure the objects admitted to be of capital importance, to wit, the increasing and decreasing of currency according to the needs of business under the control of a bureau or executive tribunal so constituted as not to feel the influence of Wall Street and not to be completely within the governmental control at Washington. The discussion is going on, and the Republican Party, if given power, can be trusted to reach a conservative conclusion in this regard.

The Postmaster General and I have recommended the taking of initial steps toward a general parcel post and the improvement of the opportunity presented in the rural deliveries for the instant beginning of the carriage of parcels at a moderate rate from the points where the rural routes begin to the country patrons of those routes. A report is just now about to be made by a tribunal of the highest character, Mr. Justice Hughes, President Lowell, of Harvard, and President Wheeler, of the Chicago Association of Commerce. They have made an exhaustive study as to the proper rate for second-class mail matter, which the Postmaster General has been of opinion is too low as compared with the rates paid for other classes.

I think it will be found in studying the platform of the Republican Party that we are in a position to say to the people of the country that we have performed to the letter most of our promises, and with respect to those where fulfillment does not seem complete we are in position now, if given power, more fully to redeem them than ever.

In matters of foreign policy we have every reason to congratulate ourselves. The problem which was before us in foreign matters was the ending by its terms of the Japanese treaty and the necessity for a new one. The happy solution was brought about through a policy adopted by the Japanese Government of its own motion and carrying out, and by a treaty which has no offensive word in it. There never was a time in the history of the two countries when we were on more friendly terms, and this has been largely due to the successful settling of the treaty by Secretary Knox.

We have treaties pending with Honduras and Nicaragua to carry out the policy of the treaty with Santo Domingo and they ought to be ratified. The responsibility for bad government in those Central American States and for revolution and disturbances must fall upon the shoulders of those who defeat the treaties. The treaties of general arbitration with France and England I shall not stop now to discuss, except to say that they are a very decided step forward beyond anything else in the history of the world toward universal arbitration and peace. They are pending in the Senate, and it is the hope of all of us that within a reasonable time after full discussion they may receive the approval of the necessary two-thirds of that body.

In respect of the Executive we have a right to say, I think, that last year the new Democratic Congress used every possible machine of investigation into the manner of the conduct of the departments of the Government, and that up to this time at least nothing of detriment or dishonor has been discovered. It is not too much to say that the departments have been run with the sole purpose of making them effective to discharge the functions imposed upon them by law. In the first place, as rigid economy as practical was enforced in the making of the estimates of the departments. In the first year of this administration they were cut upwards of \$50,000,000. Taking this cut with the increased revenue of the Payne tariff bill we have been able to turn a deficit on the first of July, 1909, of \$58,000,000 to a surplus for this year of more than \$40,000,000.

In the Post Office Department the saving has been such that for the first time in twenty-five years there has been no deficit, but a surplus of the earnings over the expenditures of \$1,000,000.

The mobilization of the troops on the Mexican border for the purpose of protecting American rights and steadying the maintenance of law and order in our neighboring Republic showed a capacity for quick mobilization, which was very satisfactory.

A review of our great Navy in New York Harbor produced a fleet second to but one in the world.

The laws have been enforced. The interstate commerce law and the antitrust law. Indictments have been found, and bills in equity have been filed in cases that seemed to call for governmental action, and they have proceeded to judgment in due course, and the judgments have been enforced.

For a time at the culmination of this policy an outcry was made against the wisdom of the antitrust law. That, however, has subsided, and I think that the business community are reaching the conclusion that by following the judgments of the court, by studying the distinctions made in the decisions of the varying cases, a rule perfectly plain to be followed may be known of all men, and that business,

having squared itself with the rules laid down as to what is just and what is unjust business in interstate commerce, may go to further triumphs of legitimate combination and industrial success.

Looking back over the record of what has been done in these four years, it seems to me that we are armed with the facts and with things accomplished sufficient to meet our enemy in the open field, and to overcome him in the judgment of an impartial umpire. It seems to me that there is no occasion for the Republicans of this country to fear the issue, with their knowledge of the progress that has been made in the last four years, with their adoption of progressive principles indicated in their platform of 1908, and in the proposals of the administration since that time. They must, if they would serve the country well, discriminate between what is really progressive and useful and what is utterly at variance with sound, constitutional, governmental, and economic policy.

Should the Republican Party take up the judicial recall as one of its tenets, it would and ought to lose caste as a defender of our civilization, a maintainer of the Constitution, and an upholder of justice. When we depart from the principle of the independence of the judiciary, and by independence I mean not only independence of individual interests but independence of majorities, we shall lose the valuable essence of the administration of justice, and we shall retrograde to the point where the history of the decadence of republics begins. On this, the natal day of William McKinley, let us take new vows in behalf of the Grand Old Party, standing by the Constitution, standing by the rights of liberty and property of the individual, and willing to face defeat many times in behalf of the cause of sound constitutional government.



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